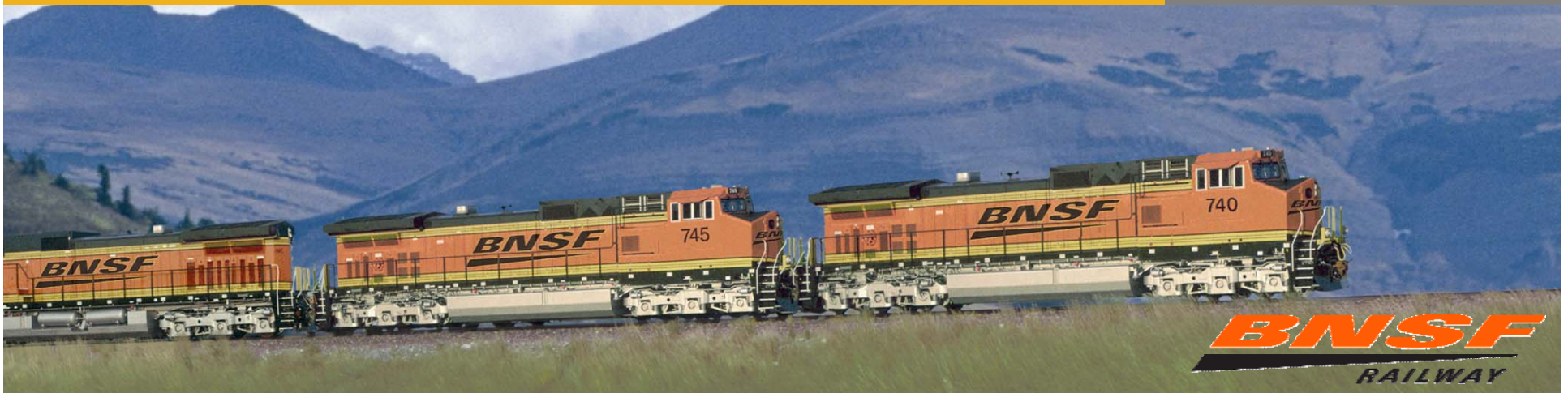


# BNSF Railway

## **Potential Logistics Park Economic Impact Report Gardner Intermodal Review Committee**

**May 16, 2006**



# Agenda

- ◆ Economic Results
  - Logistics Park Chicago
  - Alliance
- ◆ Economic Impact Report
- ◆ Summary
- ◆ Questions

# Logistics Park Chicago

## Logistics Park Chicago (LPC)

- ◆ Opened Fall 2002
- ◆ Total Investment - \$1 Billion (thru 1/24/06)
- ◆ LPC Building
  - Total SF = 7,561,212



# Alliance Logistics Park

## Alliance Intermodal Facility

*(Recent Month)*

- **Lift Count**
  - **Total – 50,000**
  - **Projected Annual (straight-line) – 600,000**
- **Employment – 320**
- **Average Hourly Wage**
  - **\$15.42/hour**



# Alliance Logistics Park

## **Economic Impact**

**Square Footage Developed 1990 – 2005** **24.4 Million**

**Economic Impact 1990 - 2004** **\$26 Billion**

**Economic Impact 2004** **\$2.97 Billion**

### **Capital Investment**

*(In Place at Year End 2004 )*

**Total Private and Public** **\$5,768,016,176**

**Private** **\$5,460,865,687**

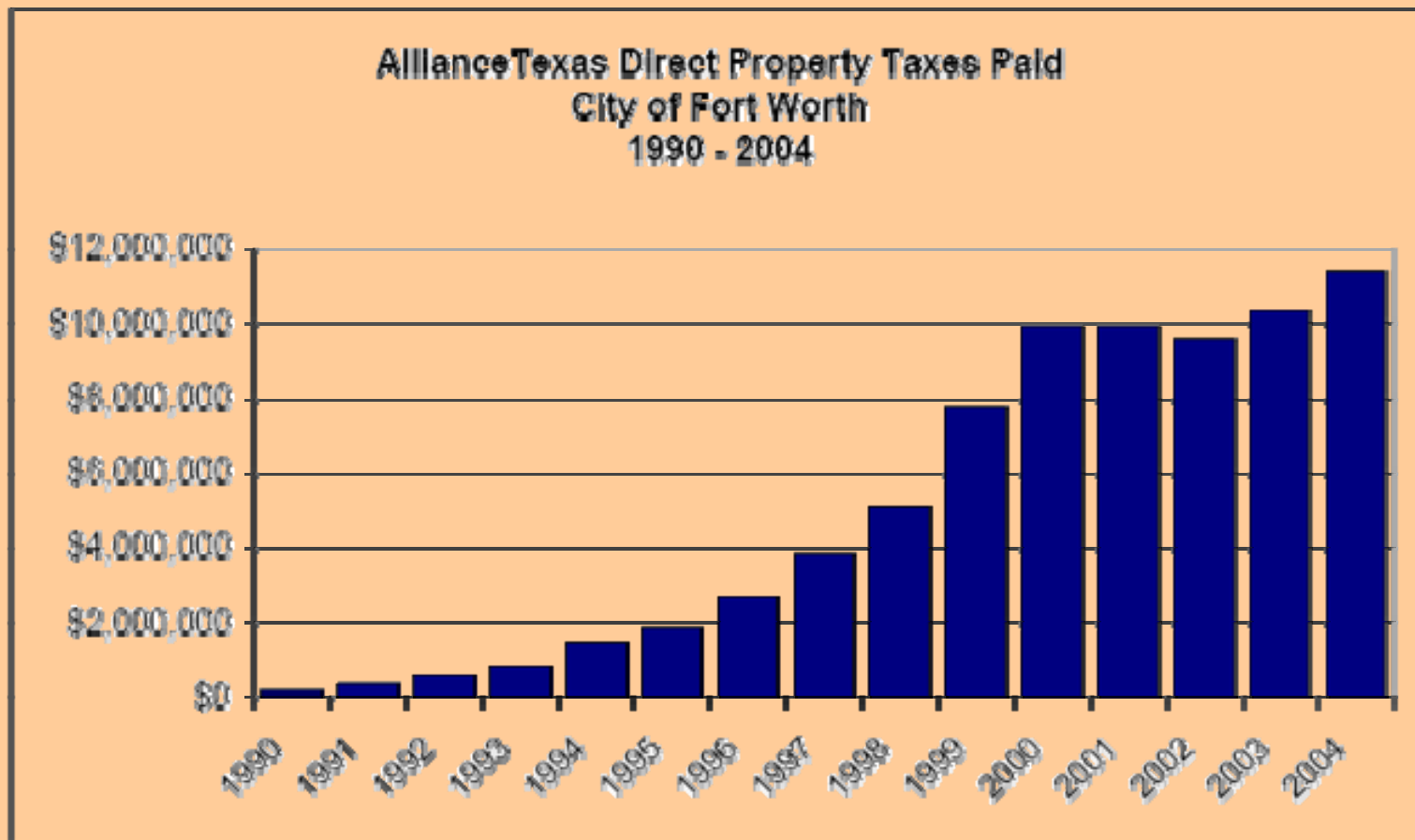
**Private as a percent of the total** **94.67%**

**Homes Completed 1990-2005** **5,288**

**Jobs Created 1990 - 2005** **24,000**

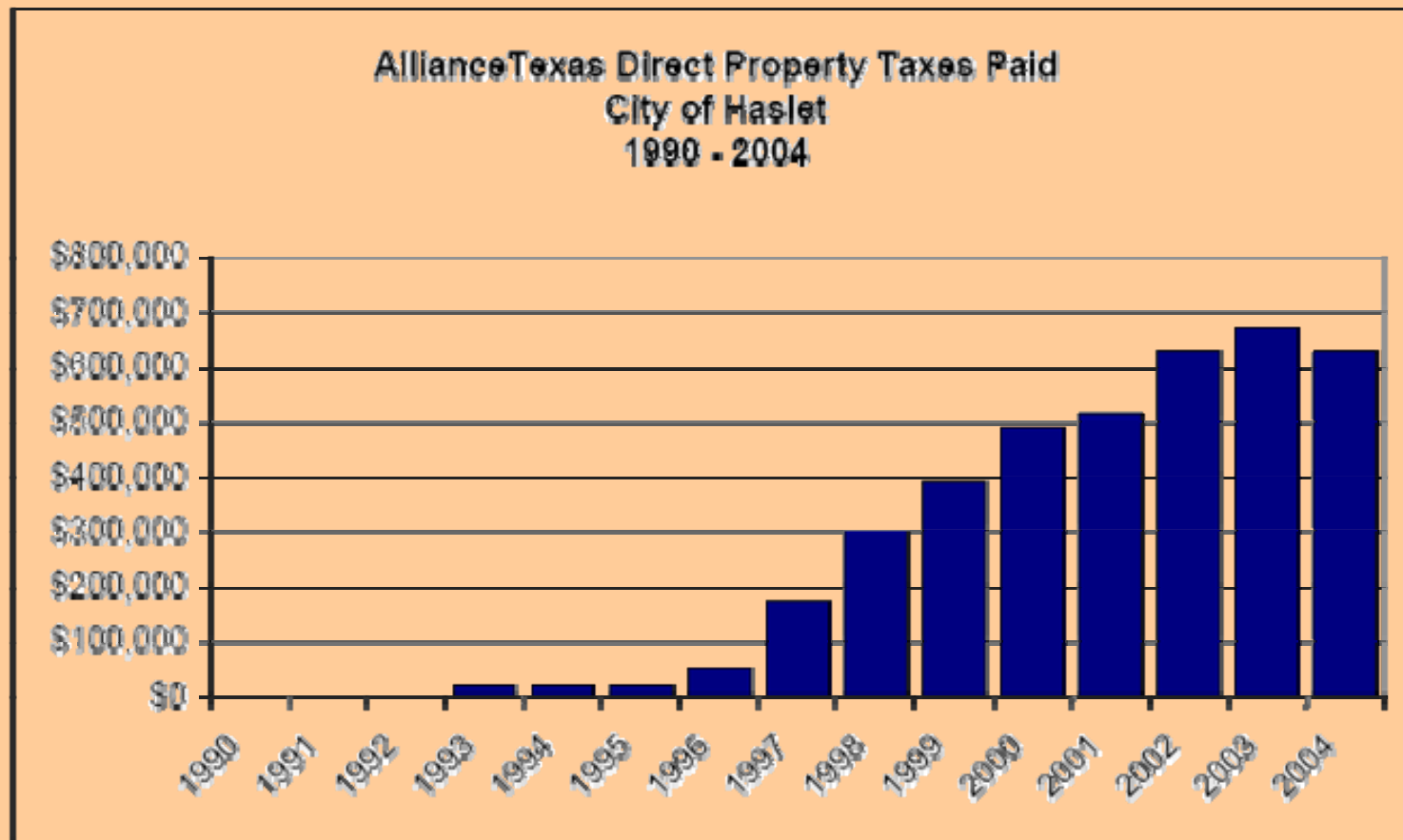
# Alliance Logistics Park

**Direct Property Taxes Paid 1990-2004 = \$75,321,407**



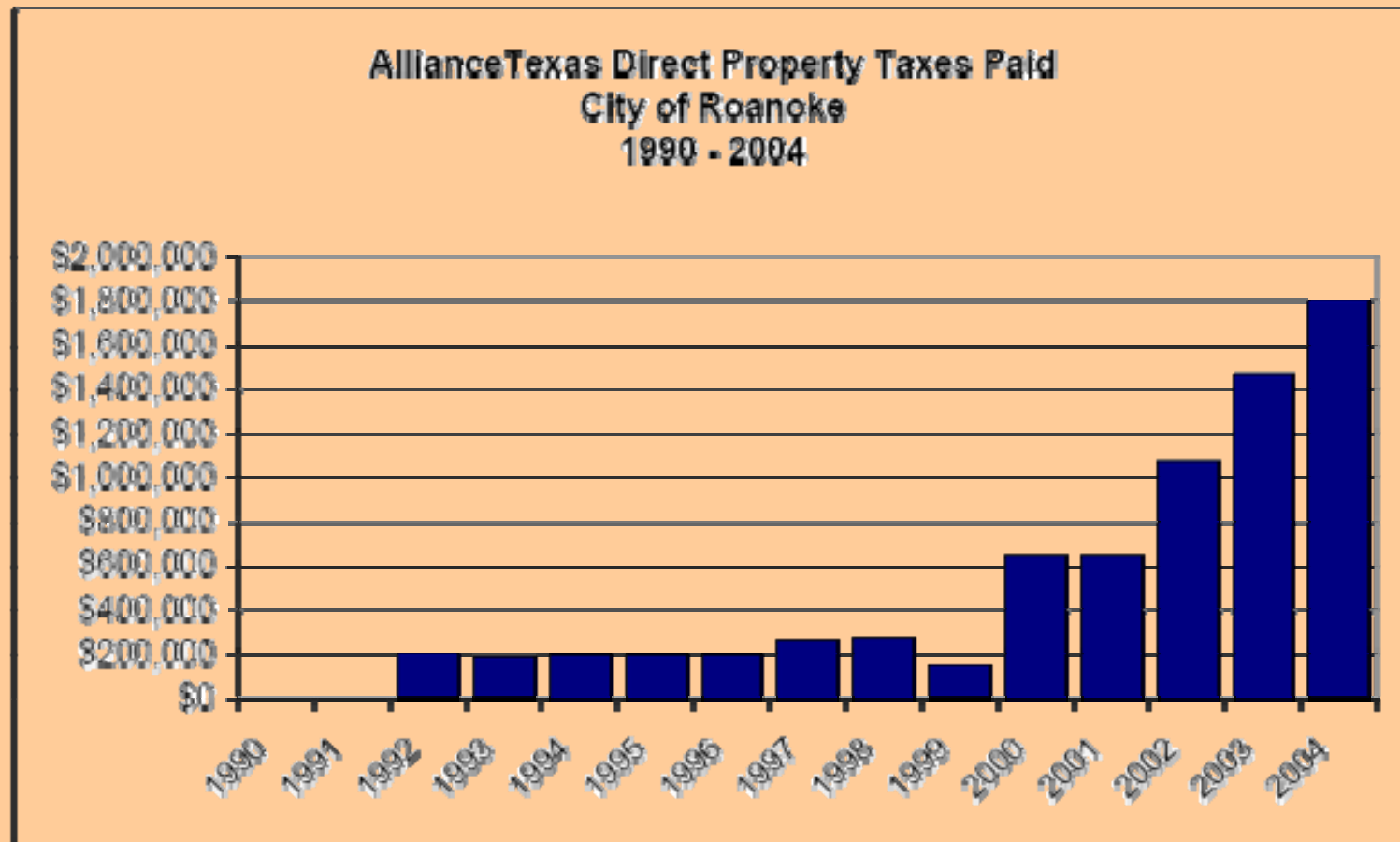
# Alliance Logistics Park

**Direct Property Taxes Paid 1990-2004 \$3,873,010**



# Alliance Logistics Park

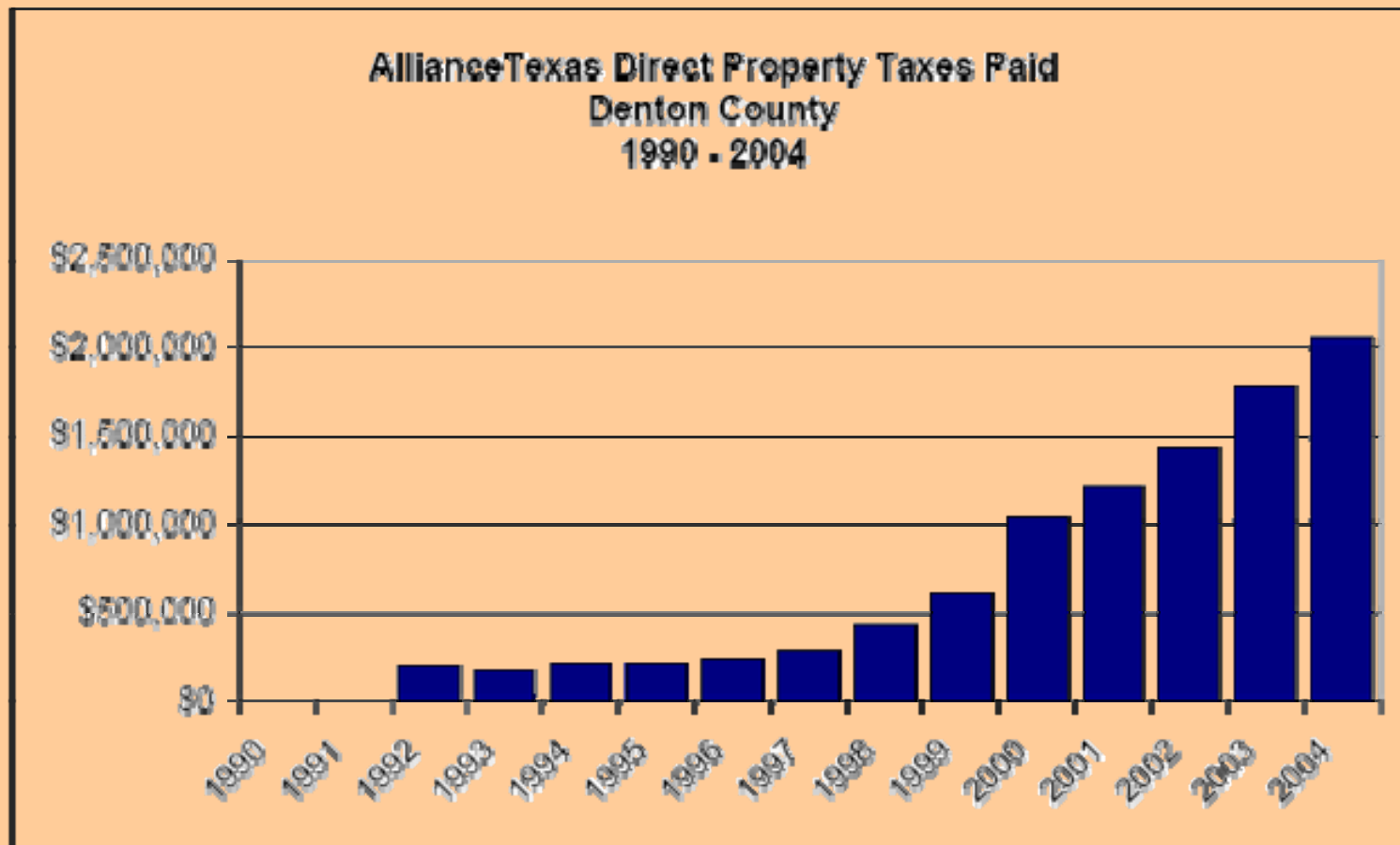
**Direct Property Taxes Paid 1990-2004 \$7,210,219**





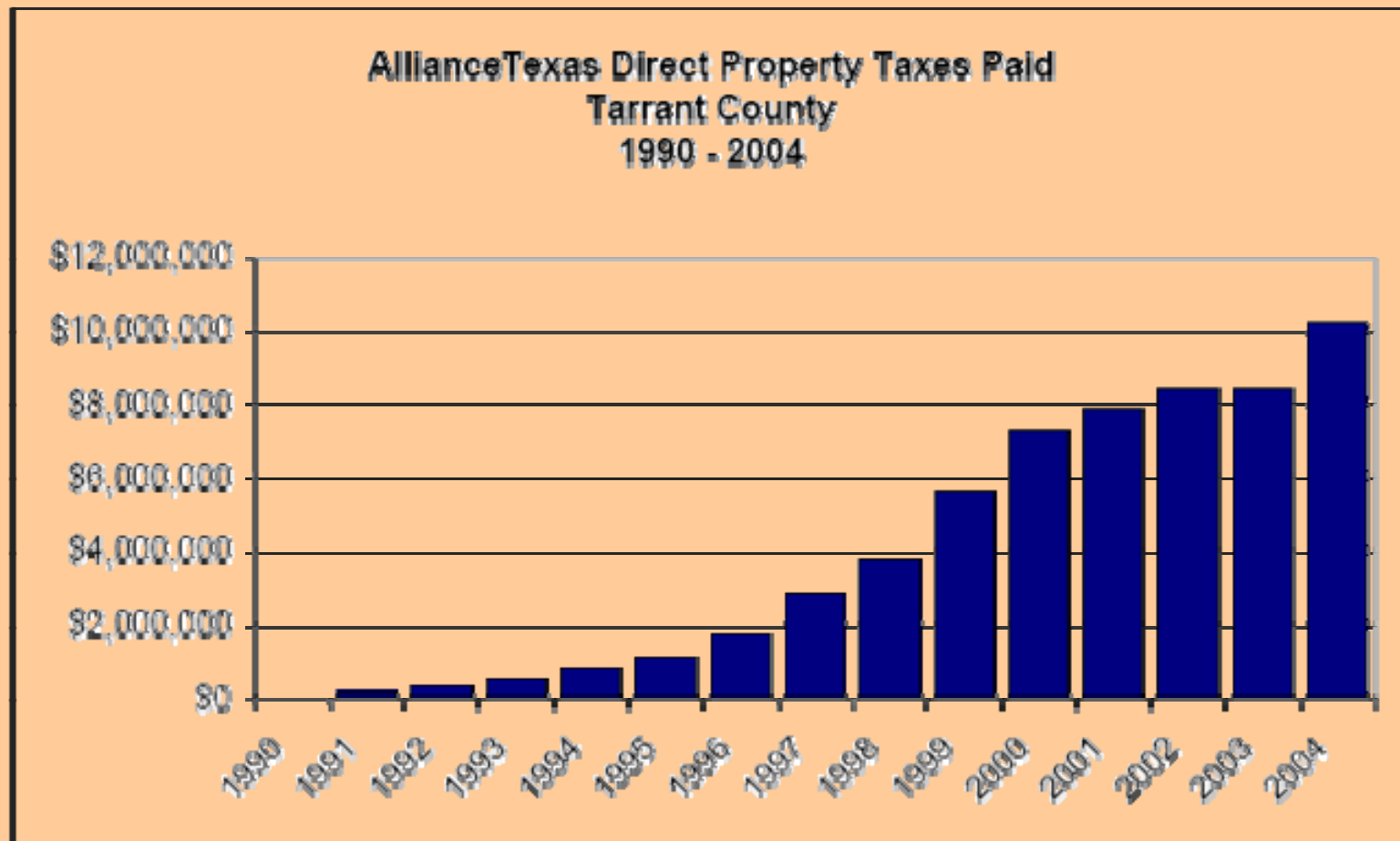
# Alliance Logistics Park

**Direct Property Taxes Paid 1990-2004 \$9,759,824**



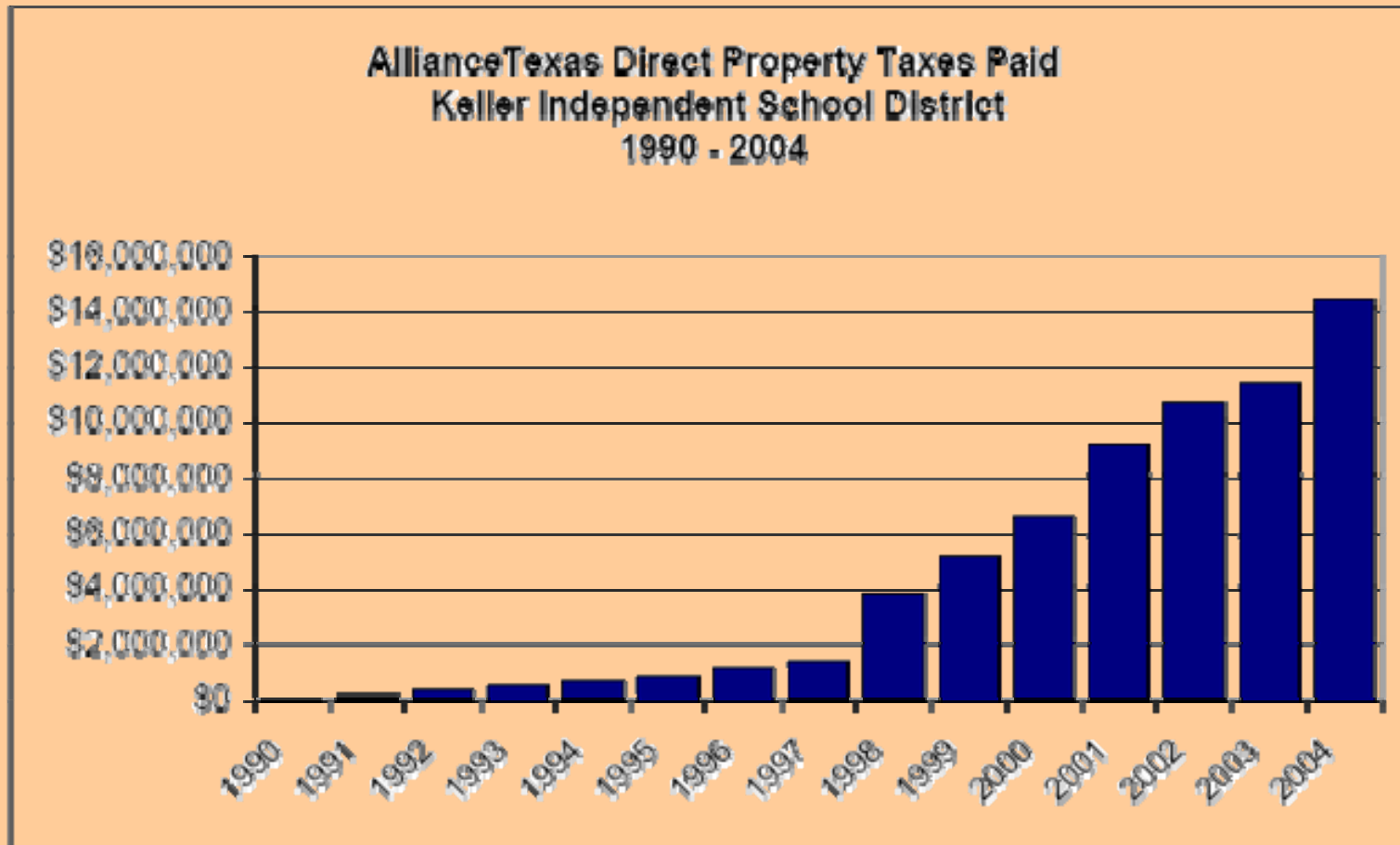
# Alliance Logistics Park

**Direct Property Taxes Paid 1990-2004 \$58,769,355**



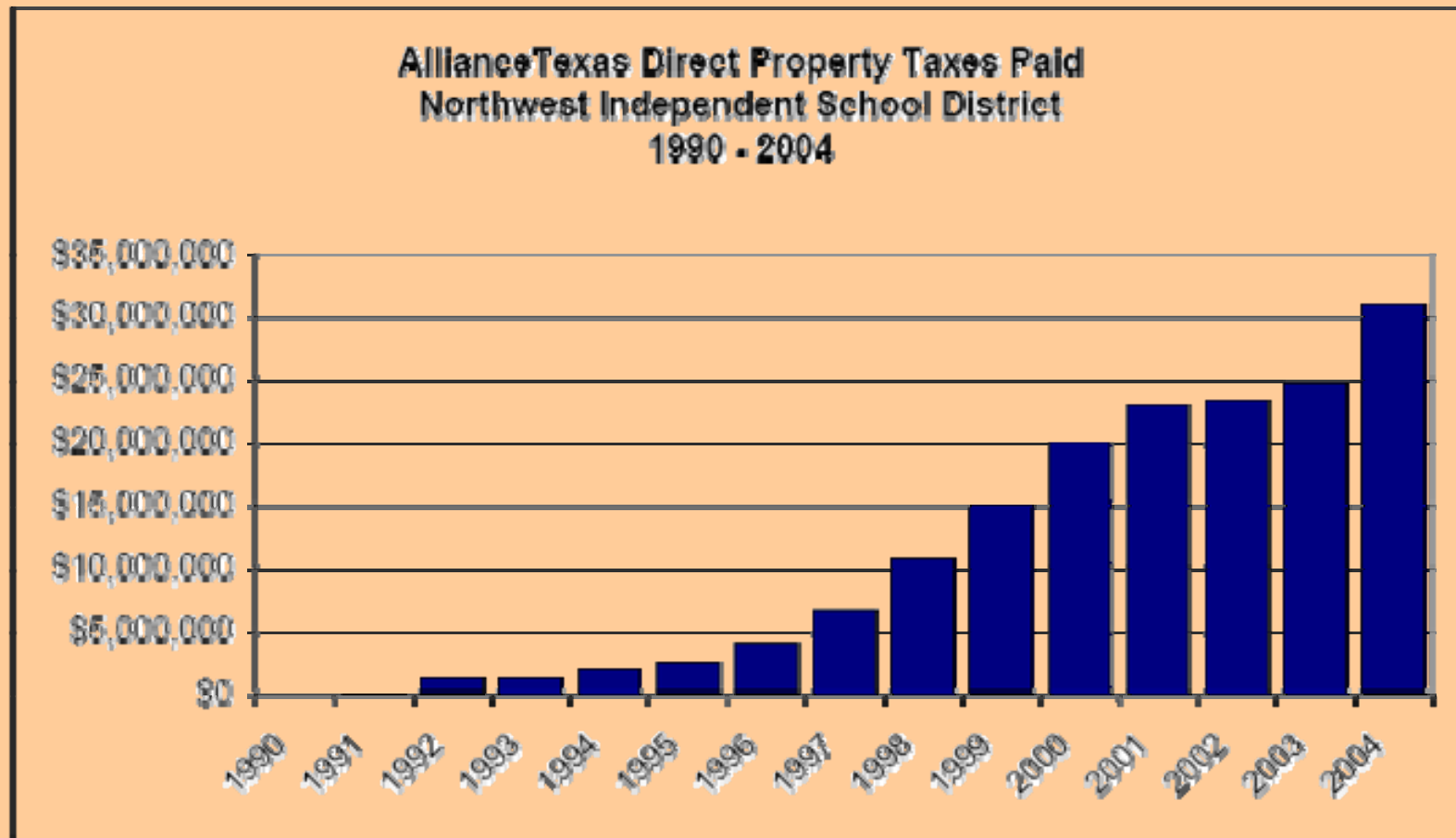
# Alliance Logistics Park

**Direct Property Taxes Paid 1990-2004 \$65,407,658**



# Alliance Logistics Park

**Direct Property Taxes Paid 1990-2004 \$164,028,478**



# Alliance Logistics Park

## Housing Growth

*(Within a 12 Minute Drive Time from I35W and SH 170)*

### Cumulative Households

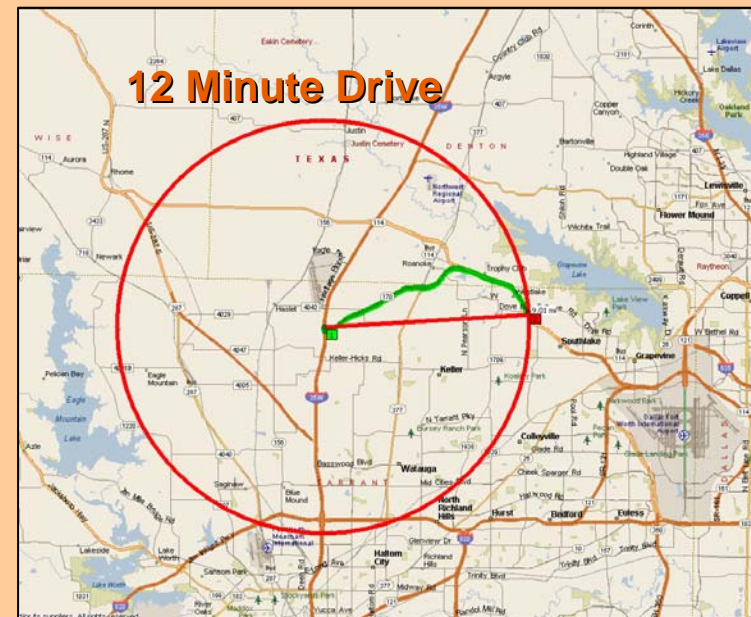
- 1990 Census: 7,782
- 2000 Census: 12,878
- 4Q05 Estimate: 30,752
- 4Q10 Projection: 44,278

Growth 1990 – 2000: 65.48%

Growth 2000 – 4Q05: 138.79%

Growth 4Q05 – 4Q10: 43.98%

Average Household Income: \$67,181



# Economic Impact Analysis

- ◆ **CH2M HILL/Lockwood Green**
  - **World Class, Independent Assessment**
  - **Bob Price, Senior Principal**
- ◆ **Methodology**
  - **Regional Dynamics, Inc. (ReDyn)**
  - **Direct, Indirect, Induced Impacts**
  - **Input/Output Model**
  - **Best Commercially Available U.S. Forecast Data**
  - **Greater Industry Detail**
  - **Multi-Regional Economic Impacts**
  - **Smart Transportation Interrelationships**
  - **Multi-Year Model**

# Key Assumptions

- ◆ **1350 Acre Logistics Park**
  - **350 Ac. BNSF Intermodal Facility**
  - **1000 Ac. Warehouse/Distribution Development**
    - **Third Party**
    - **Rail (40%)& Non-Rail (60%) Served**
  - **100% within Gardner Limits**
- ◆ **20 Year Timeframe**
  - **BNSF Intermodal Construction in '07**
  - **Warehouse Construction in '09**

# Economic Impact Analysis

## ◆ BNSF Intermodal Facility

- **\$154,360,000 Construction Cost**
  - **Current Dollars; Unadjusted for Inflation**
- **Construction Activity: 2007 & 2008**
- **\$11,440,000 Construction Related Wages**
- **143 Initial Employment Growing to 300+ by 2026**



# Distribution Facility Development

## ◆ Rail-Served

- Thirteen – 30-acre sites
- 350,000 sq. ft. Building(s)
- Average of 1 site/year over 12 years

## ◆ Non-Rail Served

- Fifteen – 40-acre sites
- 500,000 sq. ft. Building(s)
- Average of 1.25 sites/year over 12 years

## ◆ No Speculative Building

# Distribution Facility Assumptions

- ◆ **Construction Cost**
  - \$70/sq. ft.
- ◆ **Machinery & Equipment Investment**
  - \$8/sq. ft.
- ◆ **Annual Investment Ranges During Build-Out**
  - \$66.3 to \$132.6 Million
- ◆ **Employment**
  - 6 Workers/10,000 sq. ft.
- ◆ **Land Value Excluded**
  - Currently Estimated @ \$14,000 +/- Per Acre (Agricultural Use)

# Property Tax Assumptions

- ◆ **Land Value Excluded**
- ◆ **Applied Current Local Tax (Millage) Rates**
- ◆ **Capital Investment Valued at 80%**
- ◆ **Depreciation**
  - **Warehouse Buildings: 2% Per Year**
  - **Machinery & Equipment: 10% for Eight Years**
- ◆ **BNSF Unitary Tax Payments**

# Summary of Key Findings

## Forecasted Project Direct Property Tax Revenues (2007-2026)

- ◆ **\$233.7 million total (forecast)**
  - **\$134.3 Million: USD**
  - **\$57.9 Million: State & Other Local Taxing Districts**
  - **\$41.5 Million: City of Gardner**

## Annual Averages

- ◆ **Total Over \$11.6 Million**
  - **\$6.7 Million: USD**
  - **\$2.9 Million: State & Local Taxing Districts**
  - **\$2.08 Million: City of Gardner**

# Summary of Key Findings

- ◆ **Total Fiscal Impacts by Jurisdiction (2007-2026)**
  - **\$1.7 Billion to State of Kansas**
    - **\$87.5 Million Annual Average to State of Kansas**
  - **\$1.4 Billion to Johnson County (82% of total)**
    - **\$72.2 Million Annual Average to Johnson County**
  - **\$69.2 Million to City of Gardner**
    - **\$3.46 Million Annual Average**
- ◆ **Employment Impacts (2007-2026)**
  - **13,230 (Total Direct/Indirect) New Jobs in State of Kansas**
  - **12,180 New Jobs in Johnson County**
  - **7,471 Direct New Jobs in City of Gardner**

# Summary of Key Findings

## ◆ Wage Impacts (2007-2026)

- **\$173 Million in City of Gardner**
  - **\$8.7 Million Annual Average**
- **\$6.6 Billion in Johnson County**
- **\$7.7 Billion in State of Kansas**

## ◆ Sales Impacts (2007-2026)

- **\$30.2 Billion in State of Kansas**
  - **\$1.5 Billion Annual Average**

# BNSF Railway

## Q&A



# BNSF Railway

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